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FISCAL IMPACT STATEMENT

LS 6514

BILL NUMBER: SB 139

NOTE PREPARED: May 2, 2005

BILL AMENDED: Apr 29, 2005

SUBJECT: Professional Licensing.

FIRST AUTHOR: Sen. Meeks

BILL STATUS: Enrolled

FIRST SPONSOR: Rep. Alderman

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill contains the following provisions:

Professional Licensing: This bill establishes a process for renewing a license or certificate. It provides that a board may request the Attorney General's office to investigate a prohibited act committed by an applicant. It provides that the Professional Licensing Agency may stagger license or certificate renewal cycles. It provides that certain boards and commissions must establish licensing, renewal, examination, application, reinstatement, and restoration fees for licenses and certificates.

The bill also allows an applicant for registration as a professional engineer who has failed three or more exams to obtain approval from the board to take subsequent exams. It allows the board to issue a registration as a professional engineer to a person who: (1) completes an engineering curriculum and at least three years of work experience; and (2) has been registered or licensed as a professional engineer in another state for at least ten years. It also repeals corresponding provisions concerning appeals of denials of license renewals, investigation of certain complaints, and renewal fees for land surveyors.

Investigative Funds: The bill establishes funds to assist in investigating registered: (1) architects and landscape architects; (2) land surveyors and land surveyors in training; and (3) professional engineers and engineering interns.

Journeyman Plumber License: The bill allows an applicant for the journeyman plumber examination to present proof of four years of certain types of plumbing trade experience.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Professional Licensing: Administrative Law Judges* - The Professional Licensing Agency (PLA) currently provides for administrative law judges (ALJ) to render final orders in PLA boards' hearings that include proceedings in relation to disciplinary sanctions. This bill would add the cost of providing an ALJ to the list of costs that are covered by the person subject to the disciplinary sanctions. This provision should result in a savings of expenditures related to providing ALJs.

Background Information: The Health Professions Bureau (HPB) is similar to PLA in that it provides for the licensing of health professions. As of July 1, 2003, the cost of providing ALJs was shifted from HPB to the persons subject to disciplinary sanctions. Although HPB regulates nearly half as many licenses as PLA, HPB's expenditures on ALJs in the past may be indicative of the impact this provision could have on PLA. In FY 2004, HPB spent approximately \$7,500 to provide ALJs.

Investigative Funds: This bill allows the Attorney General, along with the Board of Registered Architects & Landscape Architects, Board of Registration for Professional Engineers and the Board of Registration for Land Surveyors to use the Registered Architects and Registered Landscape Architects Investigative Fund, as created by this legislation, to hire investigators and other employees to enforce the laws governing the boards' professionals. The fiscal impact is dependent on the additional staff needed to carry out the provision. The bill does not provide a specific source of funding for the Investigative Fund.

Explanation of State Revenues: *Professional Licensing: Licensure Fees* - Currently, many of the professions that require licensure by boards or commissions under the Professional Licensing Agency have licensure fees set by statute. This bill deletes these fees from statute and requires the boards and commissions to establish fees related to the licensure of those professions.

The boards and commissions affected by the provision include the:

- Board of Registered Architects and Landscape Architects.
- Auctioneer Commission.
- State Board of Barber Examiners.
- State Board of Cosmetology Examiners.
- Boxing Commission.
- Board of Funeral and Cemetery Service.
- Board of Registration for Landscape Surveyors.
- Plumbing Commission.
- Private Detectives Licensing Board.
- Board of Registration for Professional Engineers.
- Real Estate Commission.

Current law provides that all fees must be set so as to cover all costs of professional licensing. Assuming current licensure fees are set to cover the costs of providing professional licenses, this provision should not decrease the amount of revenue generated by fees when set by the boards or commissions. However, this provision could potentially increase the amount of revenue collected if fees are set at a higher rate by a board or commission as compared to those currently set by statute. The total amount of fee revenue will be dependent on the actions of the boards and commissions.

Investigative Funds: Although the bill does not specifically provide for a funding source, it does provide that

money in the Investigative fund does not revert to the General Fund at the end of the fiscal year, however, any amount remaining over \$500,000 at the end of the fiscal year after all expenses are made must be reverted to the General Fund. The bill also provides that money in the funds is continually appropriated for use by the Attorney General and the Professional Licensing Agency.

Background: According to the Professional Licensing Agency, there were 5,595 architect and landscape architect registrations, 2,073 land surveyor and land surveyor in training registrations, and 39,353 engineer intern and professional engineer registrations as of October 2004.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency; Attorney General.

Local Agencies Affected:

Information Sources: IC 25-1-8-2(c); Health Professions Bureau; *FY 2003 Indiana Handbook of Taxes, Revenues and Appropriations*; IC 4-5-10-5; Professional Licensing Agency.

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